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Weekly Briefing

Czech Political briefing: Political developments in Czech Republic in 2017 Zuzana Stuchlíková











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General election in 2017 and formation of new government

Since January 2014, the Czech Republic was ruled by a centre-left coalition, led by the Czech Social Democratic Party (ČSSD), the largest party, with two coalition parties (ANO 2011 and the Christian and Democratic Union – Czechoslovak People's Party, KDU-CSL). In May 2017, a government crisis began after the replacement of finance minister Andrej Babiš, who has been under investigation over suspicion he had evaded taxes.

On 20 and 21 October 2017, the general election was held, won by a centrist movement ANO 2011 (Yes or "Action of Dissatisfied Citizens"), beating traditional and the largest centre-left and centre-right parties (with 78 seats in parliament's 200-member lower house; i.e. +31 seats in comparison with previous general election in 2013). The Democratic Civic Party (ODS), a right-wing party led by Mr. Petr Fiala, took the second place with 11.32% of the vote. The election saw an unprecedented collapse of the political left in the Czech Republic, especially the Social Democrats (CSSD) and the Communist Party of Bohemia and Moravia (KSCM) – see table 1. There are also new strong parties making their entry into the parliament for the first time. The Pirate Party (or the Pirates), centre-left, libertarian party led by Mr. Ivan Bartoš, won 10.79% of the vote and took third place in the election. The Freedom and Direct Democracy (SPD), a nationalist and rather populist, right-wing movement led by Mr. Tomio Okamura, won 10.64% of the vote. After the general election, nine parties have been represented in the Chamber of Deputies, which is very fragmented now.

The ANO is also one of the newest political entities in the Czech Republic; and its' popular leader, Andrej Babiš¹, was formally appointed Prime Minister in

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¹ Mr. Andrej Babiš (one of the richest Czechs) founded the Agrofert group, the largest Czech agricultural, food and chemical holding. He served as the finance ministers of the Czech Republic from January 2014 to May 2017. During his ministry, Mr. Babiš introduced some controversial policies, e.g. electronic record of cash sales of goods and services (EET) from 2016.

December 2017. In January 2018, the Babiš's minority government asked for a vote of confidence in the Chamber of Deputies. Prime Minister Babiš has lost a confidence vote for the first time (only the 78 ANO MPs voted in support of the minority government), which had been widely anticipated (mainly due to its inability to find coalition partners and ongoing fraud investigation faced by Mr. Babiš, who has been denying all the allegations against him). Mr. Babiš has been stripped of his immunity at the same time – to allow the police to investigate his subsidy fraud. Nevertheless, Mr. Babiš has denied the accusations against him repeatedly.

Despite the unfinished government structure after the general election, the Czech economy has been stable and is growing strongly and the Czech parliament has been passing important laws submitted by the new minority government of ANO's leader. On 21 December 2017 the Parliament passed the state budget bill for the next year (the 2018 budget's revenues are 1313.5 billion CZK and the expenditures are 1364.5 billion CZK).

Table 1: The Chamber of Deputies Election 2017

General elections results on 20th and 21st October 2017 in the Czech Republic

Turnout: 60.84%

Political parties	No. of votes won	% of votes won	No. of seats
ANO	1 500 113	29.64	78
Civic Democratic Party (ODS)	572 962	11.32	25
Pirate Party (P)	546 393	10.79	22
Freedom and Direct Democracy (SPD)	538 547	10.64	22
Communist Party of Bohemia and Moravia (KSCM)	393 100	7.76	15
Social Democratic Party (CSSD)	368 347	7.27	15
People's Christian Democratic Union (KDU- CSL)	293 643	5.80	11
Tradition, responsibility, prosperity 09 (TOP 09)	268 811	5.31	6
Mayors and independents (STAN)	262 157	5.18	6
Others	346 992	6.29	0

Source: The European Elections Monitor, <u>www.robert-schuman.eu/en/eem/1735-andrej-babis-s-party-ano-wins-the-czech-elections</u>